

The California Regional Economies Project

Presented to the
Labor Market Advisory Group
January 25, 2007

The California Regional Economies Project

- Provides a regional perspective of California's economy.
- Identifies and analyzes emerging industry clusters and key labor force and economic issues.
- Teaches the project methodology through a user guide and workshops.
- Is overseen by the California Economic Strategy Panel, in cooperation with the California Workforce Investment Board, which provides support for the project.
- LMID prepares the employment and wage data for the Project, from the Quarterly Census of Employment & Wage (QCEW) data.

California's Economic Regions



Key Findings from the Project

- California is an economy of diverse regions– it is important to understand trends by region and industry.
- Each region has different industries, infrastructures and workforces.
- Policy making and program planning should be tailored to the these differences– one size does not fit all.

Project Products

Economic Base Reports

- *1990 – 2002 Regional Economic Base Reports (2004)*
- *2001 – 2004 Updates (2006)*

Industry *Clusters of Opportunity* Studies

- *The Health Sciences & Services Cluster (2004)*
- *The Manufacturing Value Chain (2004)*
- *Quality of Life Experiences in Rural Areas (2004)*
- *Logistics (2005)*
- *Patterns of Entrepreneurship in Rural California (2005)*
- *The Food Chain (2006)*
- *The Infrastructure Value Chain (2006)*

More Products

Clusters of Opportunity User Guide

- *How to conduct your own studies*
- *Training workshops held in 2005 and 2006*

California Regional Economies Employment Series

- *Provides a non-confidential version of the data developed for the Project, at the county level.*

All are available online at www.labor.ca.gov/panel.

Studying an Industry Cluster

- The industry cluster is defined and employment and wage data from LMID are analyzed.
- A forum is held with industry representatives to present and validate the initial findings, and discuss the cluster's needs in order to remain competitive.
- The final report includes recommendations for ensuring the industry cluster's future competitiveness.

Highlights from Recent Studies

Manufacturing Value Chain

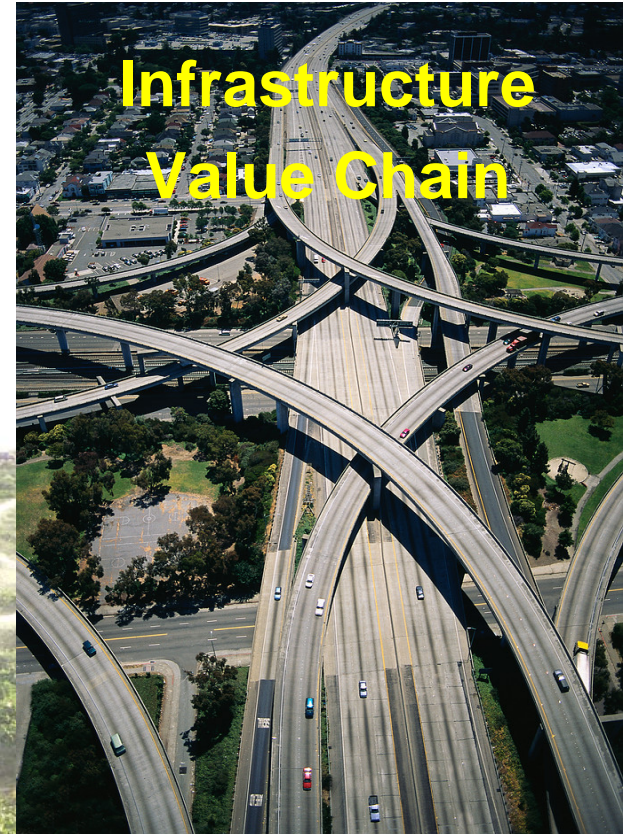
- Logistics



California's Food Chain



Infrastructure Value Chain

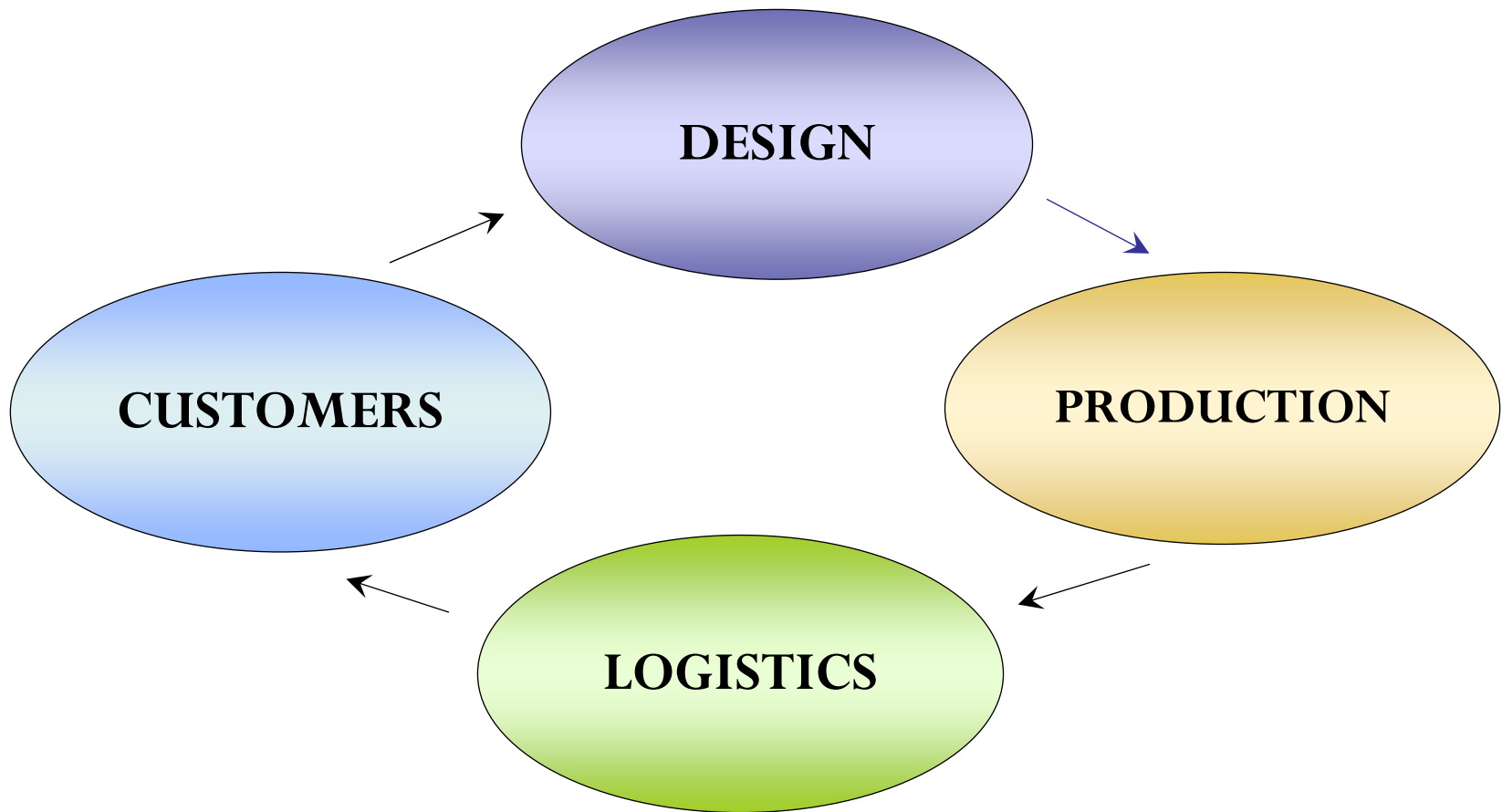


The Manufacturing Value Chain

- Manufacturing is transforming.
- Jobs in production have been declining.
- At the same time, design and logistics have become more important.

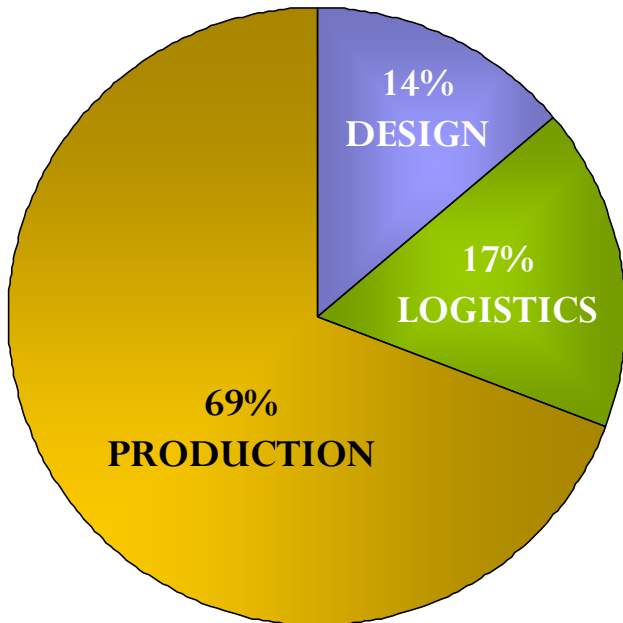


The Transforming Manufacturing Value Chain



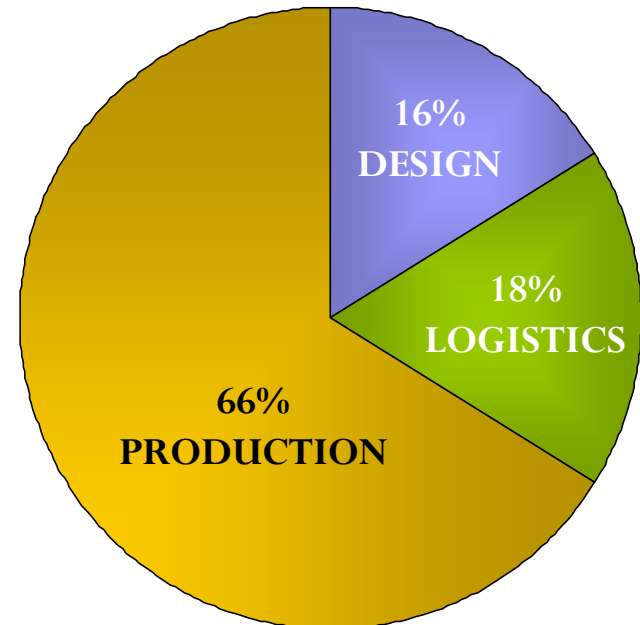
The Growth of Design and Logistics

2001



2.3 million jobs

2004



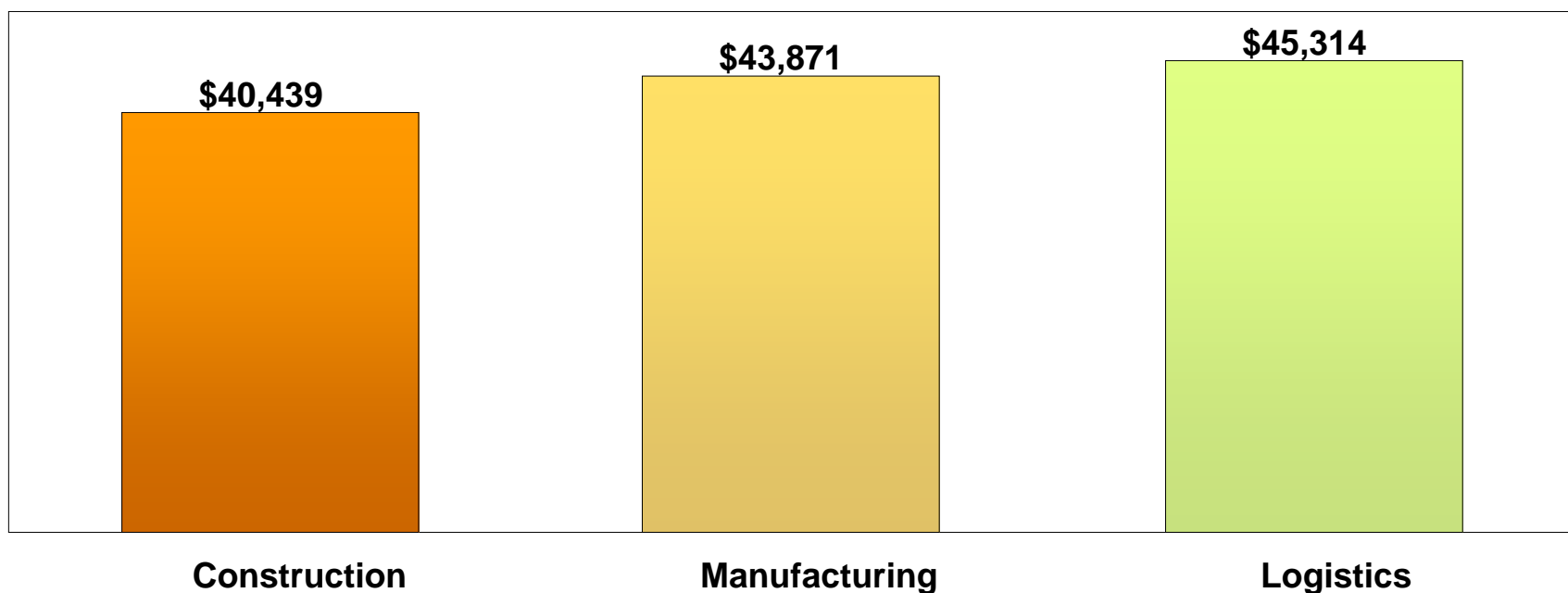
2.1 million jobs

Career Potential

	DESIGN	PRODUCTION	LOGISTICS
High-level Jobs		25%	11%
Mid-level Jobs	35%	38%	
Entry-level Jobs	15%	37%	9%

Logistics: High Average Pay Level

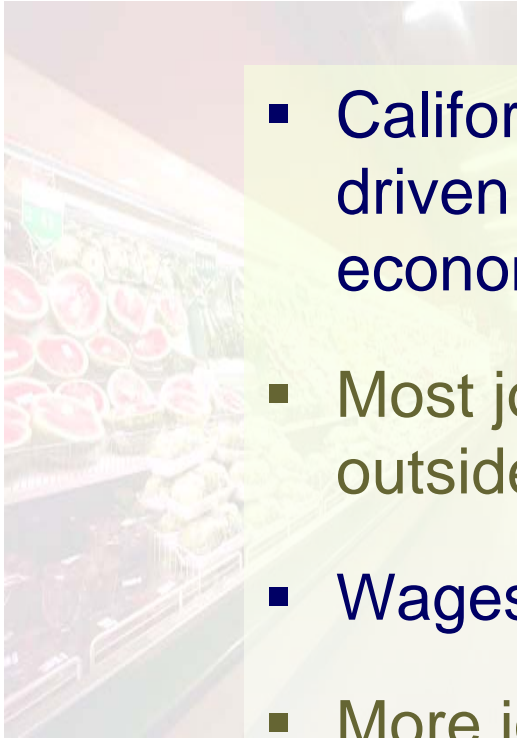
Average Annual Wage & Salary SCAG (So. Calif.) Region



Source: Quarterly Census of Employment Wages, CA Employment Development Department, 2004

Source of Slide: J.Husing/Southern California Area of Governments Presentation to the Panel 2005

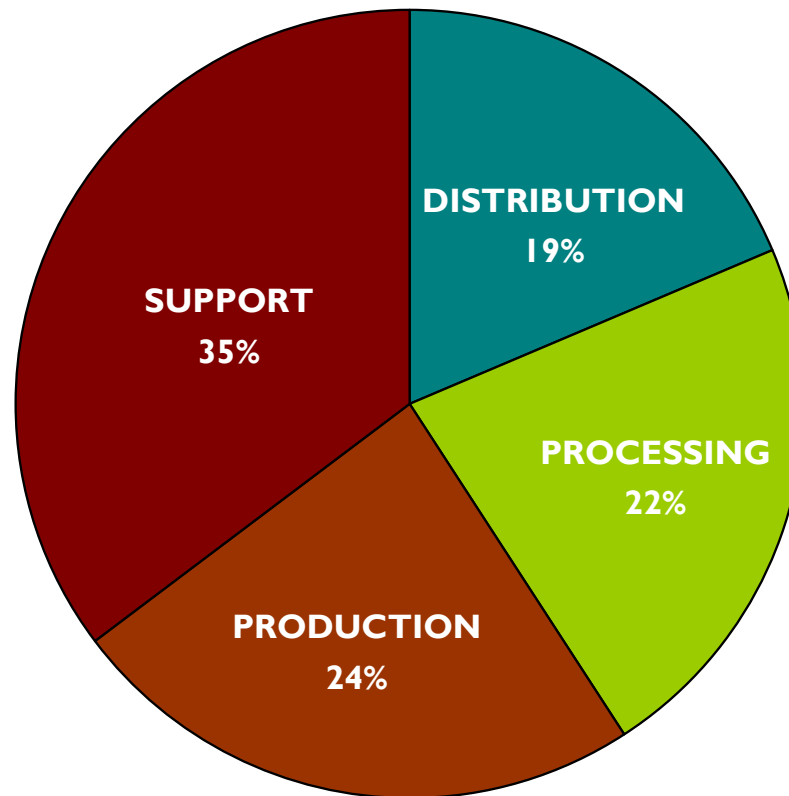
California's Food Chain



- California's Food Chain is a global pacesetter driven by innovation—and a growing source of economic value and jobs.
- Most jobs—and virtually all job growth—are outside of agricultural production.
- Wages are growing in all regions.
- More jobs are mid-level or higher than entry-level.
- Every region has a unique food chain profile with specializations that create statewide diversity.

Food Chain Employment Distribution

**CALIFORNIA FOOD CHAIN
2004**



Wide Range of Occupations in California's Food Chain

**Percentage of
Cluster Jobs**

**Average Annual Pay
2004**

38%

ENTRY-LEVEL
PACKERS AND PACKAGERS - HAND
FOOD PREPARATION WORKERS
FOOD BATCHMAKERS
AGRICULTURAL EQUIPMENT OPERATORS
LABORERS AND FREIGHT, STOCK AND MATERIAL MOVERS - HAND

\$ 17,700

54%

MID-LEVEL
SALES REPRESENTATIVES, WHOLESALE AND MANUFACTURING,
EXCEPT TECHNICAL AND SCIENTIFIC PRODUCTS
PACKAGING AND FILLING MACHINE OPERATORS AND TENDERS
BAKERS
INDUSTRIAL MACHINERY MECHANICS
VETERINARY TECHNOLOGISTS AND TECHNICIANS
RECEPTIONISTS AND INFORMATION CLERKS

\$ 29,600

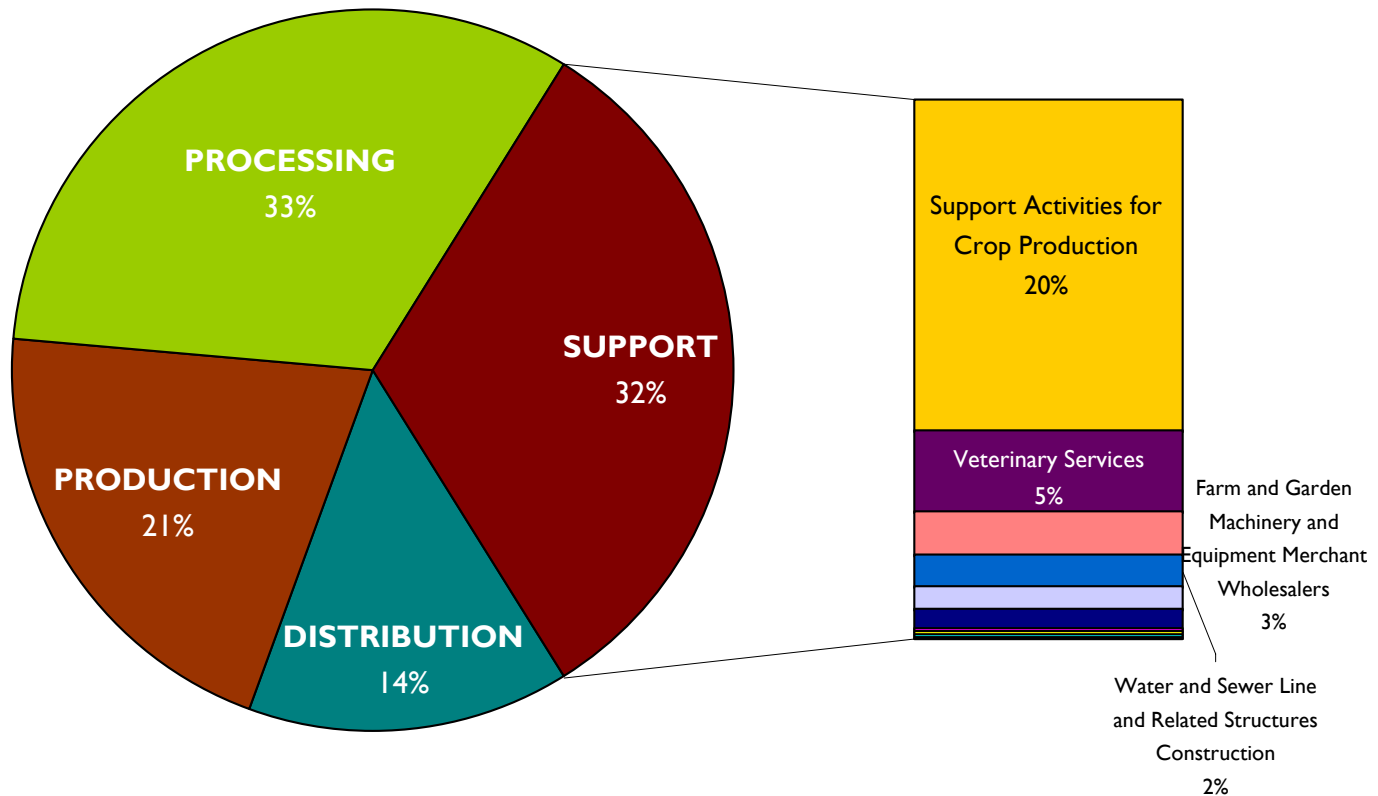
8%

HIGHEST-LEVEL
GENERAL AND OPERATIONS MANAGERS
SALES MANAGERS
INDUSTRIAL PRODUCTION MANAGERS
VETERINARIANS
FARM, RANCH, AND OTHER AGRICULTURAL MANAGERS

\$ 78,300

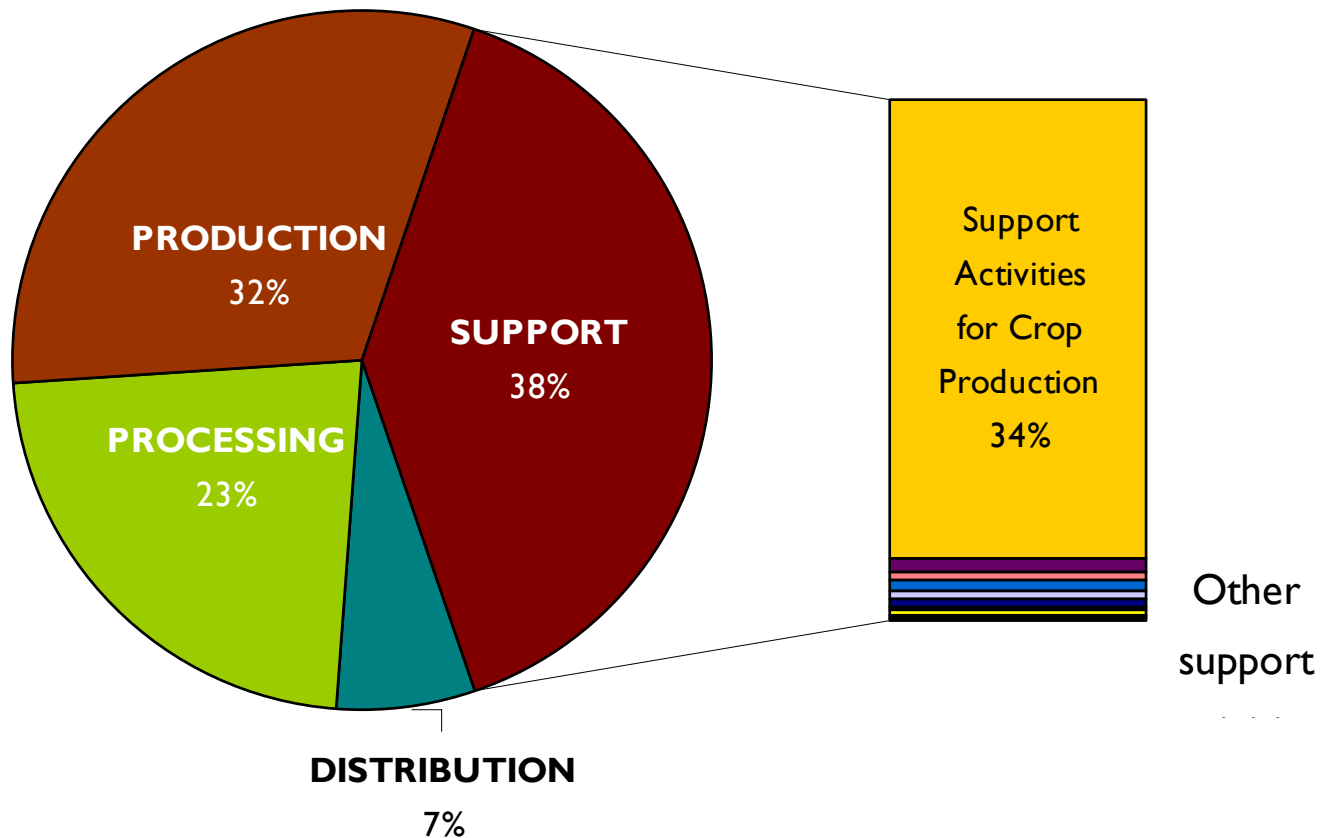
Northern Sacramento Valley

Northern Sacramento Valley Food Chain Cluster
2004



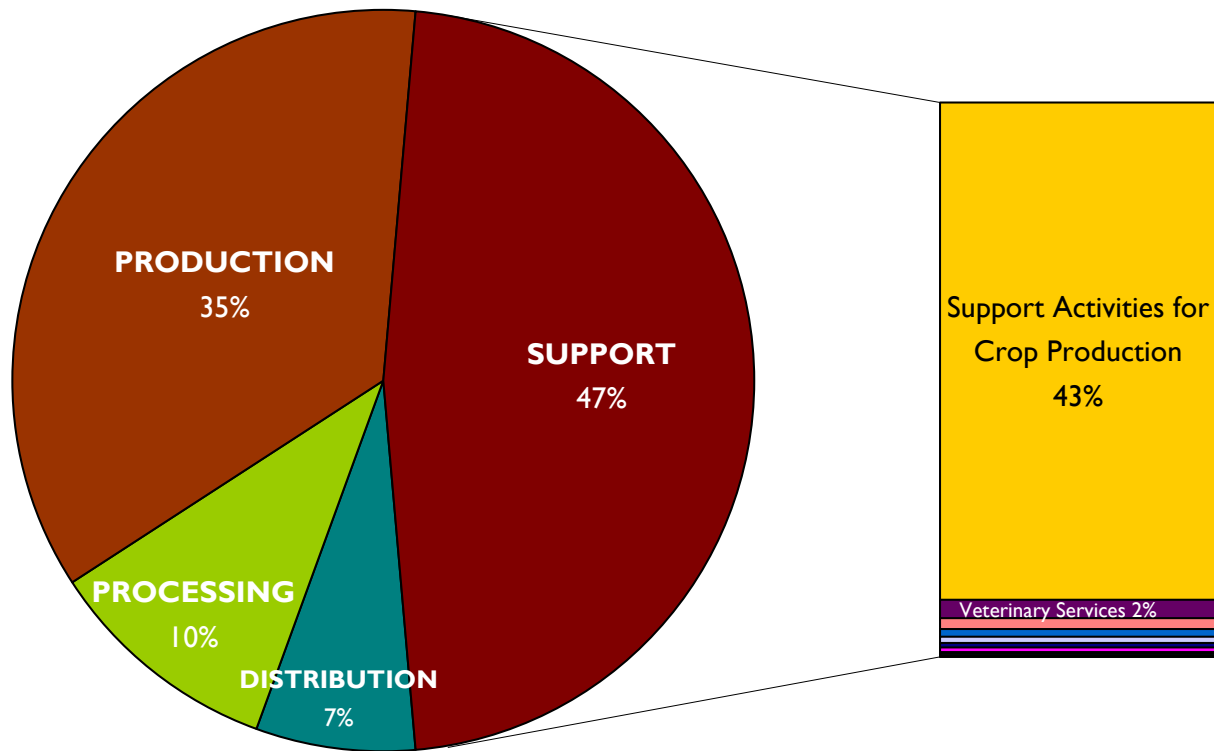
San Joaquin Valley

San Joaquin Valley Food Chain Cluster



Central Coast

Central Coast Food Chain Cluster 2004

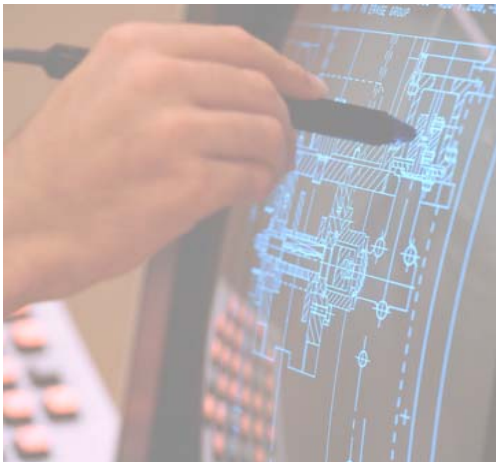


Implications

- The Food Chain cluster needs a continual flow of innovation—so strong commitment to R&D and commercialization are critical.
- The cluster needs skilled people for middle and higher level occupations—so targeted education and training are critical.
- And, it needs access to growing global markets—so effective export promotion and infrastructure are essential.

The Infrastructure Value Chain

- The basis for competitive advantage has shifted towards innovation at each stage of the value chain.
- Technological proficiency is an imperative for workers at all phases of the infrastructure life cycle.
- Occupations within the value chain are diverse & have strong potential for career progressions.

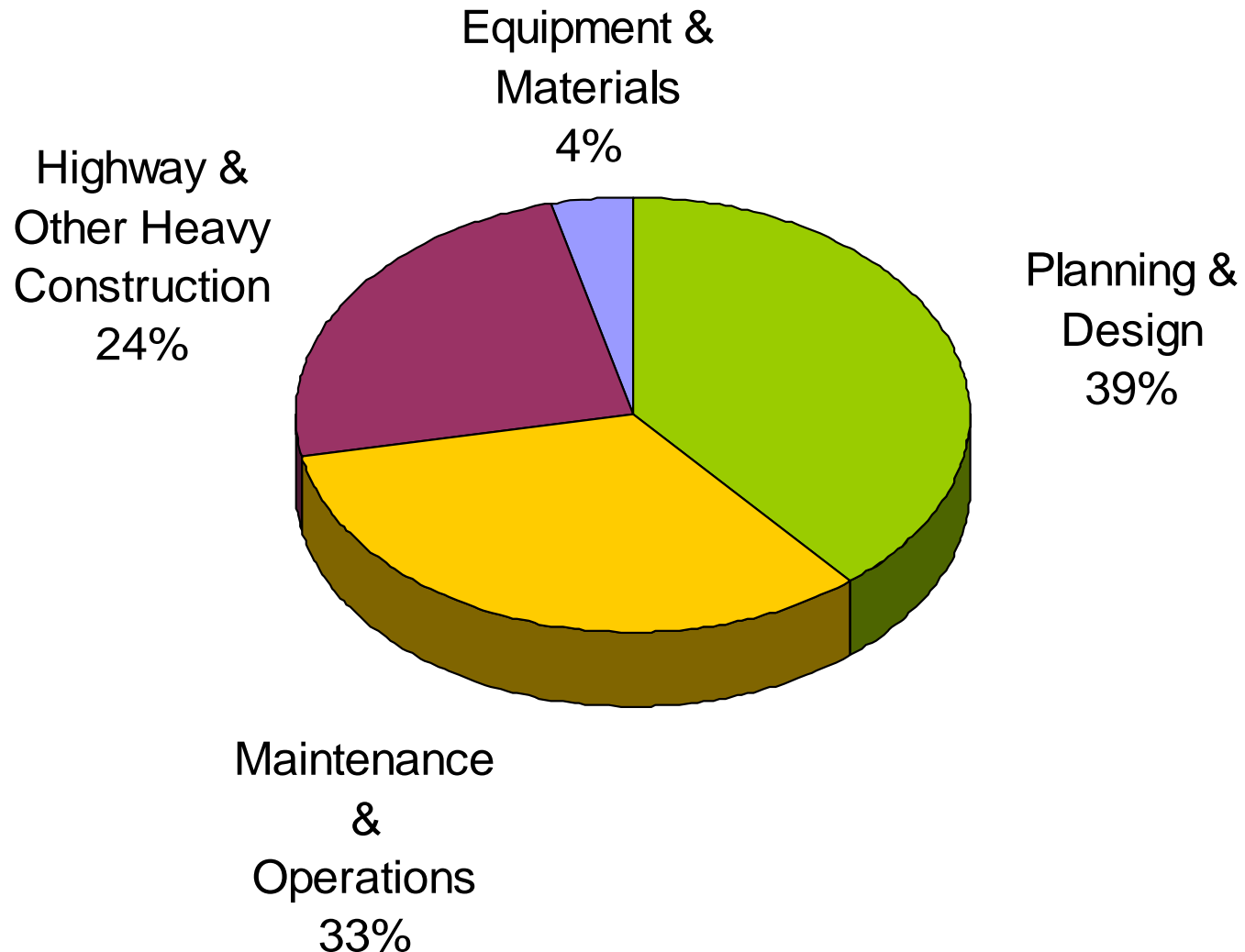


Challenges & Opportunities

- Increases in trade volume & population are putting pressure on California's aging infrastructure.
- Major infrastructure investments are on the horizon.
- There is a golden opportunity to be innovative in the investment & development of infrastructure.
- By spending wisely on infrastructure California can have a world class infrastructure and create high wage jobs in a wide variety of occupations.



Infrastructure Value Chain Employment Distribution



A Wide Range of Occupations

Average Annual Pay

\$ 67,900

Highest-Level

Civil Engineers
Engineering Managers
Cost Estimators
Supervisors of Construction Trade

Percentage of
Cluster Jobs

49%

\$ 41,900

Mid-Level

Construction Laborers
Civil Engineering Technicians
Cement Masons
Architectural & Civil Drafters

40%

\$ 19,100

Lower-Level

Office Clerks
Shipping, Receiving & Traffic Clerks
Laborers and Freight, Stock & Material Movers

11%

Implications

- The Infrastructure Value Chain needs a continual flow of innovation—so strong commitment to R&D is critical.
- The value chain needs skilled people for middle and higher level occupations—so targeted education and training is critical.
- And, it needs access to growing global markets—so effective export promotion is essential.

New Studies in 2007 & 2008

- Global Economic Integration
- Clean Technology and the California Economy
- “Training the Trainers” Workshops

For More Information...

- For more information and the reports, studies and monographs: www.labor.ca.gov/panel/
- Contact information:

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